NEARMAP LTD
HALF YEAR REPORT
APPENDIX 4D

HALF YEAR ENDED 31 DECEMBER 2019

Nearmap Ltd
ABN 37 083 702 907
Lodged with the ASX under Listing Rule 4.3A

APPENDIX 4D HALF YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Name of entity:	Nearmap Ltd
ABN:	37 083 702 907
Reporting period:	Half year ended 31 December 2019
Previous corresponding period:	Half year ended 31 December 2018
Release date:	19 February 2020

				A$'000
Revenue	Up	31%	To	46,347
Loss from ordinary activities after tax attributable to members	Up	843%	To	18,607
Net loss for the period attributable to members	Up	843%	To	18,607

	31 DECEMBER 2019	**31 DECEMBER 2018**
Net tangible assets per share (cents)[1]	6.4	13.9

[1] Net assets minus intangible assets minus net deferred tax liabilities divided by number of shares outstanding at the end of the period

DIVIDENDS
Nearmap Ltd has not proposed to pay any dividends for the half year ended 31 December 2019.

COMMENTARY AND OPERATIONAL OVERVIEW
For a discussion on the items above refer to the Review and Results of Operations section contained in the Directors' Report.

DIRECTORS' REPORT

The Directors submit their report, together with the consolidated interim financial statements of the Group (referred to hereafter as "Nearmap") consisting of Nearmap Ltd and the entities it controlled at the end of, or during the half year ended 31 December 2019.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year and up to the date of this report are:

Mr Peter James	Non-Executive Chairman
Dr Rob Newman	Chief Executive Officer and Managing Director
Ms Tracey Horton	Non-Executive Director (appointed 1 September 2019)
Ms Sue Klose	Non-Executive Director
Mr Ian Morris	Non-Executive Director (retired 14 November 2019)
Mr Ross Norgard	Non-Executive Director
Mr Cliff Rosenberg	Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

This is the first set of the Group's financial statements in which AASB 16 *Leases* has been applied. Under the transition methods chosen, comparative information has not been restated. The 31 December 2019 results are therefore not directly comparable to prior year. Changes to significant accounting policies and the impact of applying the new standard are described in Note 1 to the financial statements.

For the half year ended 31 December 2019, Nearmap reported revenue of $46,347 thousand, up 31% on corresponding prior half year revenue of $35,486 thousand. Total subscription revenue increased by 31%, up to $46,165 thousand from $35,138 thousand, reflecting continuing strong growth in both Australia & New Zealand, and North America. Nearmap's net loss after tax for the half year ended 31 December 2019 was $18,607 thousand, an 843% increase on the prior half year loss after tax of $1,974 thousand, due to a 61% increase in operating cost base, in line with the investment strategy outlined at the time of the 2018 capital raise, and the acceleration of capture cost amortisation. Nearmap's balance sheet remained strong with no debt and a closing cash balance at 31 December 2019 of $49,621 thousand (30 June 2019: $75,914 thousand).

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated interim financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

KPMG, our auditor, have provided a written independence declaration as required under section 307C of the Corporations Act 2001 to the Directors in relation to their review of the consolidated interim financial statements for the half year ended 31 December 2019. This independence declaration forms part of the Directors' Report and can be found at page 3.

Signed in accordance with a resolution of the Directors.

Dr Rob Newman
Chief Executive Officer and Managing Director
Sydney, 18 February 2020

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nearmap Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Nearmap Ltd for the half-year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Caoimhe Toouli

KPMG

Caoimhe Toouli

Partner

Sydney

18 February 2020

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTES	31 DECEMBER 2019 $'000	31 DECEMBER 2018* $'000
Revenue		**46,347**	35,486
Other income		**615**	826
TOTAL REVENUE AND OTHER INCOME	3	**46,962**	36,312
Employee benefits expense		**(27,760)**	(16,221)
Amortisation[1]	10	**(18,202)**	(6,947)
Depreciation[1]	9	**(3,924)**	(1,623)
Other operational expenses[2]	5	**(15,481)**	(11,388)
TOTAL EXPENSES		**(65,367)**	(36,179)
Net finance (costs)/income[2]	6	**(806)**	179
(LOSS)/PROFIT BEFORE TAX		**(19,211)**	312
Income tax benefit/(expense)	7	**604**	(2,286)
LOSS AFTER TAX FOR THE HALF YEAR		**(18,607)**	(1,974)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**460**	(137)
Fair value loss on cash flow hedges		**(297)**	(9)
Income tax associated with these items		**89**	3
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		**(18,355)**	(2,117)
LOSS PER SHARE			
Basic loss per share for the half year (cents per share)		**(4.14)**	(0.47)
Diluted loss per share for the half year (cents per share)		**(4.14)**	(0.47)

[1] In the prior half year, amortisation and depreciation were presented in the same line item. In the current period the expenses are presented separately to enable more comparability. Comparative figures have been adjusted accordingly.

[2] In the prior half year, other finance costs of ($2) thousand were presented within other operational expenses, and net foreign exchange differences of $181 thousand were disclosed on the face of the consolidated interim statement of profit or loss. In the current period, other finance costs and net foreign exchange differences are presented within net finance (costs)/income to enable more comparability. Comparative figures have been adjusted accordingly.

* The Group has initially applied AASB 16 *Leases* at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 *Leases* is recognised in retained earnings at the date of initial application. See Note 1 (D) for further information regarding the transition to AASB 16 *Leases* on 1 July 2019.

The above consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the interim financial statements on pages 9 to 24.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTES	31 DECEMBER 2019 $'000	30 JUNE 2019* $'000
CURRENT ASSETS			
Cash and cash equivalents	8	49,621	75,914
Trade receivables		23,868	14,535
Other current receivables		3,195	3,078
Other current assets		3,761	2,663
TOTAL CURRENT ASSETS		80,445	96,190
NON-CURRENT ASSETS			
Property, plant and equipment	9	36,300	16,782
Intangible assets	10	48,443	42,132
Deferred tax assets		4,481	3,086
TOTAL NON-CURRENT ASSETS		89,224	62,000
TOTAL ASSETS		169,669	158,190
CURRENT LIABILITIES			
Trade and other payables		4,758	3,777
Unearned revenue		49,158	42,034
Employee benefits		5,518	5,701
Lease liabilities	1	4,434	-
Other current liabilities		9,370	5,446
Current tax liabilities		834	2,107
TOTAL CURRENT LIABILITIES		74,072	59,065
NON-CURRENT LIABILITIES			
Deferred tax liabilities		10,490	10,190
Employee benefits		433	280
Lease liabilities	1	11,751	-
Other non-current liabilities		1,348	1,002
TOTAL NON-CURRENT LIABILITIES		24,022	11,472
TOTAL LIABILITIES		98,094	70,537
NET ASSETS		71,575	87,653
EQUITY			
Contributed equity	11	125,870	124,617
Reserves		16,461	14,843
Profits reserve		7,078	7,078
Accumulated losses		(77,834)	(58,885)
TOTAL EQUITY		71,575	87,653

* The Group has initially applied AASB 16 *Leases* at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 *Leases* is recognised in retained earnings at the date of initial application. See Note 1 (D) for further information regarding the transition to AASB 16 *Leases* on 1 July 2019.

The above consolidated interim statement of financial position should be read in conjunction with the notes to the interim financial statements on pages 9 to 24.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 DECEMBER 2019 $'000	31 DECEMBER 2018* $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	46,647	37,022
Payments to suppliers and employees[1]	(46,501)	(25,859)
Interest received	618	189
Other receipts	-	21
Income taxes paid	(1,551)	(629)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(787)	10,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(6,511)	(3,033)
Payments for development costs	(7,000)	(3,904)
Payment for capture costs[1]	(11,578)	(9,350)
Proceeds from sale of plant and equipment	251	14
Proceeds from sale of unlisted investments	-	150
NET CASH USED IN INVESTING ACTIVITIES	(24,838)	(16,123)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share offer	-	67,146
Proceeds from exercise of share options	1,264	2,102
Proceeds from repayment of share option loans	37	7
Payments for treasury shares	(212)	(108)
Payments for lease liabilities	(1,744)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(655)	69,147
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(26,280)	63,768
Cash and cash equivalents at the beginning of the period	75,914	17,530
Effect of movement of exchange rates on cash held	(13)	35
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,621	81,333

[1] Capture costs in Australia/New Zealand and the US/Canada of $2,024 thousand and $9,554 thousand respectively (31 December 2018: $1,764 thousand and $7,586 thousand) were previously included within Net Cash from Operating Activities and have been reclassified to Net Cash from Investing Activities to better reflect the nature of the related asset which is capitalised.

* The Group has initially applied AASB 16 *Leases* at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 *Leases* is recognised in retained earnings at the date of initial application. See Note 1 (D) for further information regarding the transition to AASB 16 *Leases* on 1 July 2019. The application of AASB 16 *Leases* has led to operating lease payments previously included in net cash (used in)/from operating activities now being included as payments for lease liabilities within net cash flow from financing activities.

The above consolidated interim statement of cash flows should be read in conjunction with the notes to the interim financial statements on pages 9 to 24.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTES	CONTRIBUTED EQUITY $'000	ACCUMULATED LOSSES $'000	PROFITS RESERVE $'000	SHARE-BASED PAYMENTS RESERVE $'000	OTHER RESERVES $'000	TOTAL EQUITY $'000
AT 30 JUNE 2019*		124,617	(58,885)	7,078	15,053	(210)	87,653
Adjustment on initial application of AASB 16 (net of tax)	1	-	(358)	-	-	-	(358)
AT 1 JULY 2019		124,617	(59,243)	7,078	15,053	(210)	87,295
Loss for the half year		-	(18,607)	-	-	-	(18,607)
Other comprehensive income:							
Fair value loss on cash flow hedges (net of tax)		-	-	-	-	(208)	(208)
Exchange differences on translation of foreign operations		-	-	-	-	460	460
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		-	(18,607)	-	-	252	(18,355)
Transactions with owners of the Company:							
Share options exercised	11	1,264	-	-	-	-	1,264
Repayment of share option loans	11	37	-	-	-	-	37
Share-based payment expense	4	-	-	-	1,546	-	1,546
Treasury shares acquired	11	(212)	-	-	-	-	(212)
Shares vested and transferred to employees	11	164	16	-	(180)	-	-
AT 31 DECEMBER 2019		125,870	(77,834)	7,078	16,419	42	71,575

* The Group has initially applied AASB 16 *Leases* at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 Leases is recognised in retained earnings at the date of initial application. See Note 1 (D) for further information regarding the transition to AASB 16 *Leases* on 1 July 2019.

The above consolidated interim statement of changes in equity should be read in conjunction with the notes to the interim financial statements on pages 9 to 24.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	NOTES	CONTRIBUTED EQUITY $'000	ACCUMULATED LOSSES $'000	PROFITS RESERVE $'000	SHARE-BASED PAYMENTS RESERVE $'000	OTHER RESERVES $'000	TOTAL EQUITY $'000
AT 30 JUNE 2018		52,995	(44,062)	7,078	13,369	(386)	28,994
Adjustment on initial application of AASB 15 (net of tax)		-	111	-	-	-	111
AT 1 JULY 2018		52,995	(43,951)	7,708	13,369	(386)	29,105
Loss for the half year		-	(1,974)	-	-	-	(1,974)
Other comprehensive income:							
Fair value loss on cash flow hedges (net of tax)		-	-	-	-	(6)	(6)
Exchange differences on translation of foreign operations		-	-	-	-	(137)	(137)
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		-	(1,974)	-	-	(143)	(2,117)
Transactions with owners of the Company:							
Share issue	11	68,002	-	-	-	-	68,002
Share options exercised	11	2,102	-	-	-	-	2,102
Repayment of share option loans	11	7	-	-	-	-	7
Share-based payment expense	4	-	-	-	518	-	518
Treasury shares acquired	11	(108)	-	-	-	-	(108)
AT 31 DECEMBER 2018		122,998	(45,925)	7,078	13,887	(529)	97,509

The above consolidated interim statement of changes in equity should be read in conjunction with the notes to the interim financial statements on pages 9 to 24.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION

A. REPORTING ENTITY

Nearmap Ltd (the "Company") is a for-profit company domiciled in Australia. These consolidated interim financial statements for the half year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The Company's registered office is at Level 4, Tower One, International Towers Sydney 100 Barangaroo Avenue, Sydney NSW 2000.

The principal activity of the Group during the course of the reporting period was online aerial photomapping via its 100% owned subsidiaries, Nearmap Australia Pty Ltd, Nearmap US, Inc and Nearmap Remote Sensing US, Inc.

The Group's current liabilities as at 31 December 2019 include unearned income of $49,158. Unearned income includes income received in advance which has been deferred in the consolidated interim statement of financial position until the service is performed. These liabilities are expected to be settled without a corresponding cash outflow. The financial report has been prepared on a going concern basis, based on the Group's cash flows for the current period and estimated profits and cash flows for future years.

These consolidated interim financial statements were authorised for issue by the Board of Directors on Tuesday, 18 February 2020.

B. STATEMENT OF COMPLIANCE

These consolidated interim financial statements for the half year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial statements of the Group also comply with International Accounting Standards IAS 34 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements for the year ended 30 June 2019. These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these consolidated interim financial statements are to be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and *ASX Listing Rules*. A copy of the consolidated annual financial statements for the year ended 30 June 2019 and public announcements is available at www.nearmap.com.au.

The consolidated interim financial statements are presented in Australian dollars. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated interim financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

C. JUDGEMENTS AND ESTIMATES

In preparing these consolidated interim financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2019, except for the new significant judgements related to lessee accounting under AASB 16 *Leases*, which are described in Note 1 (D).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION (CONT.)

D. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied in the consolidated annual financial statements for the year ended 30 June 2019 with the exception of the adoption of newly applicable standards and early adoption of amendments effective 1 July 2019, as described below.

AASB 16 *Leases*

The Group has initially adopted AASB 16 *Leases* (AASB 16) from 1 July 2019. The newly effective standard introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 *Leases* (AASB 117) and Interpretation 4 at the date of initial application. The Group also elected to use the practical expedient outlined in AASB 16 for leases with a term of less than 12 months and no purchase options, and leases of low value assets. The cost related to these leases is recognised on a straight-line basis over the term of the lease.

The group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. On transition to AASB 16, all leases entered into by the Group were classified as operating leases under AASB 117 and related interpretations, and the payments recognised on a straight-line basis in the consolidated statement of profit or loss over the term of the lease. The details of the changes in accounting policies are disclosed below.

Definition of a lease
The Group leases many assets, namely properties and office equipment. Previously, the Group determined at contract inception whether an arrangement was or contained a lease under Interpretation 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under AASB 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Significant accounting policy
The Group recognises a right-of-use asset and a lease liability at the lease commencement date, being the date that the underlying asset is available for use. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjustment for certain remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of recognised lease liabilities, initial direct costs inherent to the lease, and the expected costs to make good the leased asset, less any incentive received. The Group presents right-of-use assets in property, plant, and equipment, the same line items as it presents underlying assets of the same nature that it owns.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments include fixed payments (including in substance fixed payments) and variable lease payments that depend on an index or rate. Variable payments that do not depend on an index or rate are recognised as an expense in the consolidated interim statement of profit or loss as they are incurred. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION (CONT.)

D. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Significant accounting policy (cont.)
The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition
On transition, for leases classified as operating leases under AASB 117, lease liabilities were measured at the present value of the remaining lease payments discounted at the Group's incremental borrowing rate as at 1 July 2019. The weighted average rate applied is 4.32%. Right-of-use assets are measured at their carrying amount as if AASB 16 has been applied since the commencement date, discounted using the lessee's incremental borrowing rate at 1 July 2019.

Impact on transition
On transition to AASB 16, the Group recognised right-of-use assets, lease liabilities and deferred tax assets, and derecognised lease incentive liabilities, recognising the difference in accumulated losses. The impact on transition is summarised below:

	AS REPORTED 30 JUNE 2019 $'000	AASB 16 TRANSITION ADJUSTMENTS $'000	ADJUSTED OPENING BALANCE 1 JULY 2019 $'000
Property, plant and equipment	16,782	6,025[1]	22,807
Deferred tax asset	3,086	144	3,230
TOTAL ASSETS IMPACT	**19,868**	**6,169**	**26,037**
Other current liabilities	5,446	(231)	5,215
Other non-current liabilities	1,002	(1,002)	-
Current lease liabilities	-	2,267	2,267
Non-current lease liabilities	-	5,493	5,493
TOTAL LIABILITIES IMPACT	**6,448**	**6,527**	**12,975**
Accumulated losses	(58,885)	(358)	(59,243)
TOTAL EQUITY IMPACT	**(58,885)**	**(358)**	**(59,243)**

[1] The AASB 16 transition adjustment of $6,025 thousand on the property, plant and equipment balance comprises the recognition of right-of-use assets of $6,530 thousand, including make good assets of $505 thousand, and an equivalent reduction in the office equipment & furniture balance of $505 thousand as a result of the reclassification of the make good asset carrying value within right-of-use assets. Note 9 provides a reconciliation of the opening balance adjustment by category of property, plant and equipment.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION (CONT.)

D. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Impact on transition (cont.)
The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:

	$'000
Operating lease commitments as at 30 June 2019	8,306
Less:	
Impact of discounting	(514)
Commitments relating to short-term and low value leases	(32)
LEASE LIABILITIES AS AT 1 JULY 2019	**7,760**

Impact for the period
The carrying value and movements of the Group's right-of-use assets and lease liabilities during the half year ended 31 December 2019 are set out below:

	RIGHT-OF-USE ASSETS		LEASE LIABILITIES
	PROPERTY $'000	OFFICE EQUIPMENT $'000	$'000
As at 1 July 2019	**6,466**	**64**	**7,760**
Additions (new lease arrangements)[1]	11,365	-	9,876
Depreciation expense	(1,828)	(17)	-
Interest expense on unwinding of lease liabilities	-	-	289
Payments	-	-	(1,744)
Foreign exchange adjustments	7	-	4
AS AT 31 DECEMBER 2019	**16,010**	**47**	**16,185**
Included in the consolidated interim statement of financial position as:			
Current lease liabilities			4,434
Non-current lease liabilities			11,751
TOTAL LEASE LIABILTIES			**16,185**

[1] On 1 July 2019, Nearmap Australia Pty Ltd entered into a contract for the lease of office premises located at Level 5, Tower One, International Towers, 100 Barangaroo Avenue, Sydney. The lease was announced as a subsequent event in the 2019 Annual Report and was excluded from operating lease commitments as at 30 June 2019. Other new lease arrangements entered into by the Group during the half year ended 31 December 2019 include two new contracts entered into by Nearmap US Inc for office premises in New York City (20 West 36th Street, New York, New York) and Arlington, Virginia (Suite 1301, 1225 South Clark Street, Arlington, Virginia).

AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*

On October 22, 2018, the International Accounting Standards Board issued amendments to IFRS 3 *Business Combinations*. Consequently, AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business* ("AASB 2018-6") was issued in December 2018 by the Australian Accounting Standards Board.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION (CONT.)

D. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business* (cont.)

The amendments seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test, which is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

The amendments apply for annual reporting periods beginning on or after January 1, 2020, however, early adoption is permitted. The Group has decided to early adopt AASB 2018-6 in the half year ended 31 December 2019 on a prospective basis. Accordingly, there was no retrospective adjustment to the Group results.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. SEGMENT INFORMATION

The Group's Chief Operating Decision Makers ("CODM") assess the Group's performance based on geographical areas of operation. Accordingly, the Group has identified two reportable segments, which are presented below:

SEGMENT	INFORMATION
Australia & New Zealand (ANZ)	Responsible for all sales and marketing efforts in Australia and New Zealand.
North America (NA)	Responsible for all sales and marketing efforts in the United States and Canada.

Cost of revenue are all the costs directly attributable to the ongoing delivery of the subscription product, including amortisation of capture costs. Sales and marketing costs include direct in-country costs. A portion of general and administration costs, representing general operating expenses, remain unallocated in determining the segment contribution presented to the CODM.

The assets and liabilities of the Group are reported and reviewed by the CODM in total and are not allocated by operating segment. Operating segment assets and liabilities are therefore not disclosed.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

2. SEGMENT INFORMATION (CONT.)

HALF YEAR ENDED 31 DECEMBER 2019

	ANZ $'000	NA $'000	UNALLOCATED $'000	TOTAL $'000
Revenue	29,623	16,724	-	46,347
TOTAL REVENUE	29,623	16,724	-	46,347
Capture cost amortisation	(3,050)	(11,563)	-	(14,613)
Storage, administration & other	(453)	(2,257)	-	(2,710)
TOTAL COST OF REVENUE	(3,503)	(13,820)	-	(17,323)
GROSS PROFIT	26,120	2,904	-	29,024
GROSS MARGIN %	88%	17%	-	63%
Direct sales & marketing	(4,461)	(9,759)	-	(14,220)
Indirect sales & marketing	(2,456)	(3,818)	-	(6,274)
TOTAL SALES & MARKETING COSTS	(6,917)	(13,577)	-	(20,494)
General & administration	(5,619)	(4,698)	(9,720)	(20,037)
Overhead depreciation	(961)	(731)	(691)	(2,383)
Other income	-	-	615	615
Finance costs	-	-	(317)	(317)
TOTAL GENERAL & ADMINISTRATION	(6,580)	(5,429)	(10,113)	(22,122)
SEGMENT CONTRIBUTION	12,623	(16,102)	(10,113)	(13,592)
Amortisation & depreciation of unallocated assets				(5,130)
Foreign exchange loss				(489)
LOSS BEFORE TAX				(19,211)
Income tax benefit				604
LOSS AFTER TAX				(18,607)

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

2. SEGMENT INFORMATION (CONT.)

HALF YEAR ENDED 31 DECEMBER 2018

	ANZ $'000	NA $'000	UNALLOCATED $'000	TOTAL $'000
Revenue[2]	25,719	9,767	-	35,486
TOTAL REVENUE	25,719	9,767	-	35,486
Capture cost amortisation	(1,065)	(3,462)	-	(4,527)
Storage, administration & other	(340)	(1,378)	-	(1,718)
TOTAL COST OF REVENUE	(1,405)	(4,840)	-	(6,245)
GROSS PROFIT	24,314	4,927	-	29,241
GROSS MARGIN %	95%	50%	-	82%
Direct sales & marketing	(3,850)	(5,806)	-	(9,656)
Indirect sales & marketing	(1,429)	(1,589)	-	(3,018)
TOTAL SALES & MARKETING COSTS	(5,279)	(7,395)	-	(12,674)
General & administration[1]	(4,082)	(4,059)	(5,076)	(13,217)
Overhead depreciation[1]	(114)	(200)	(43)	(357)
Other income[2]	-	-	826	826
Finance costs[3]	-	-	(2)	(2)
TOTAL GENERAL & ADMINISTRATION	(4,196)	(4,259)	(4,295)	(12,750)
SEGMENT CONTRIBUTION	14,839	(6,727)	(4,295)	3,817
Amortisation & depreciation of unallocated assets				(3,686)
Foreign exchange gain				181
PROFIT BEFORE TAX[3]				312
Income tax expense				(2,286)
LOSS AFTER TAX				(1,974)

[1] In the prior half year, overhead depreciation and general & administration expenses were presented in the same line item. In the current period the expenses are presented separately to enable more comparability, and comparative figures have been adjusted accordingly.

[2] In the prior half year, other income and revenue were presented in the same line item. In the current period revenue and other income are presented separately to disclose operating and non-operating sources of revenue separately, and comparative figures have been adjusted accordingly.

[3] In the prior half year, interest expense was excluded from segment contribution. In the current period, interest expense is included in finance costs, which are presented within general & administration expenses, and comparative figures have been adjusted accordingly.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

3. TOTAL REVENUE AND OTHER INCOME

The Group's operations and revenue streams are those described in the last consolidated annual financial statements.

DISAGGREGATION OF REVENUE

	31 DECEMBER 2019 $'000	31 DECEMBER 2018 $'000
TYPES OF REVENUE AND OTHER INCOME		
Subscription revenue	46,165	35,138
On-demand revenue	40	35
Royalty income	142	313
TOTAL REVENUE	46,347	35,486
Interest income	502	647
Grant income	-	21
Gain on disposal of assets	113	8
Gain on sale of unlisted investments	-	150
TOTAL OTHER INCOME	615	826
TOTAL REVENUE AND OTHER INCOME	46,962	36,312
PRIMARY GEOGRAPHICAL MARKETS		
Australia & New Zealand	29,623	25,719
North America	16,724	9,767
Unallocated	615	826
TOTAL REVENUE AND OTHER INCOME	46,962	36,312
SUBSCRIPTION REVENUE BY INDUSTRY		
Architecture, Construction & Engineering	11,857	10,084
Commercial/Other	11,620	7,256
Government	7,346	5,144
Utilities	5,563	4,776
Insurance & Property	5,590	4,434
Solar	4,189	3,444
TOTAL SUBSCRIPTION REVENUE	46,165	35,138

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

4. SHARE BASED PAYMENT PLANS

At 31 December 2019, the Group had the following share-based payment arrangements.

Employee Share Option Plan
An Employee Share Option Plan (ESOP) has been established whereby Directors and certain employees of the Group may be issued with options over the ordinary shares of the Company. The options, which are usually issued for nil consideration at an exercise price calculated with reference to prevailing market prices, are issued in accordance with terms established by the Directors of the Company. The options cannot be transferred without the approval of the Company's Board and are not quoted on the ASX.

The grants are issued for 4 years either:

(i) with Total Shareholder Return (TSR) growth performance vesting conditions, exercisable after three years; or
(ii) without any performance vesting conditions, exercisable on various dates (usually in two or three equal annual tranches when vested).

All options are settled by issuing ordinary shares. Nearmap's ESOP also includes an Employee Loan Scheme that permits the Company to grant financial assistance to employees by way of limited recourse loans (LRLs) to enable them to exercise options and acquire shares. The employee does not have a beneficial interest in the shares until the loan is repaid with any such shares being held in escrow until that time. The Group recorded an expense of $628 thousand in the half year ended 31 December 2019 (31 December 2018: $518 thousand) in relation to the ESOP.

Employee Matching Share Rights Plan
Employees have the opportunity to purchase shares in Nearmap using up to 5% of their annual base salary. For every three acquired shares, the employee will be awarded a right to receive one additional share in Nearmap under the conditions outlined in the Employee Matching Share Rights Plan. The Group recorded an expense of $94 thousand in the half year ended 31 December 2019 (31 December 2018: nil) in relation to the Employee Matching Share Rights Plan.

Long Term Incentive Plan
The Company introduced a new incentive plan during the half year ended 31 December 2019. Pursuant to Nearmap's new employee Long Term Incentive Plan (LTIP), certain key senior employees are granted either options issued for 4 years or Restricted Share Units (RSUs) representing between 15% and 25% of the employee's base remuneration. The rights vest in 9 tranches over three years from the date of the initial grant, subject to ongoing employment. All vested rights under the LTIP will be settled by issuing ordinary shares. The Group recorded an expense of $824 thousand in the half year ended 31 December 2019 (31 December 2018: nil) in relation to the LTIP.

MOVEMENT IN SHARE OPTIONS AND LOANS

	31 DECEMBER 2019	WEIGHTED AVERAGE EXERCISE PRICE	30 JUNE 2019	WEIGHTED AVERAGE EXERCISE PRICE
Number of options outstanding at the beginning of the period	**16,337,184**	**0.84**	23,668,600	0.66
Options lapsed/forfeited	**(672,087)**	**1.04**	(1,409,750)	0.68
Options exercised – loans granted	**(1,700,001)**	**0.94**	(4,615,867)	0.81
Options exercised – cash payment	**(2,477,000)**	**0.50**	(5,894,894)	0.57
Options granted	**5,557,343**	**2.52**	4,589,095	1.35
NUMBER OF OPTIONS OUTSTANDING AT THE END OF THE PERIOD	**17,045,439**	**1.48**	16,337,184	0.84
VESTED & EXERCISABLE	**2,001,250**	**0.50**	4,033,250	0.46

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

4. SHARE BASED PAYMENT PLANS (CONT.)

As at 31 December 2019, there were 17,045,439 options outstanding (30 June 2019: 16,337,184) at exercise prices ranging from $0.39 to $2.97 (30 June 2019: $0.39 to $1.65) and a weighted average remaining contractual life of 2.57 years (30 June 2019: 2.26 years).

The fair values of the options granted under the LTIP and ESOP were determined using the Black-Scholes model, or the Monte Carlo model for TSR vesting performance grants. The following table presents the weighted average assumptions used to determine the fair values of options granted:

	ESOP – MONTE CARLO		ESOP – BLACK-SCHOLES	
	31 DECEMBER 2019	31 DECEMBER 2018	31 DECEMBER 2019	31 DECEMBER 2018
Dividend yield (%)	0.00	0.00	0.00	0.00
Risk free interest rate (%)	0.85	2.17	0.82	2.19
Expected life (years)	4.00	3.00	3.00	2.00
Expected volatility for the share price (%)	52.18	57.50	53.86	47.20
Weighted-average fair values ($)	0.78	0.49	1.09	0.36

	LTIP – BLACK-SCHOLES	
	31 DECEMBER 2019	31 DECEMBER 2018
Dividend yield (%)	0.00	-
Risk free interest rate (%)	0.75	-
Expected life (years)	2.66	-
Expected volatility for the share price (%)	53.13	-
Weighted-average fair values ($)	0.88	-

The expected volatility is based on the historical volatility of the Company's share price. The risk-free interest rate used is equal to the yield on Australian Government Bonds at the date of grant with a term equal to the expected life of options.

MOVEMENT IN RESTRICTED SHARE UNITS (RSUs)

	31 DECEMBER 2019	30 JUNE 2019
Number of RSUs outstanding at the beginning of the period	-	-
RSUs lapsed/forfeited	(12,062)	-
RSUs granted	1,095,072	-
NUMBER OF RSUs OUTSTANDING AT THE END OF THE PERIOD	1,083,010	-

The fair value of RSUs on measurement date is based on the closing market price on the day preceding the grant. The weighted average fair value of RSUs granted during the half year ended 31 December 2019 is $2.58 (30 June 2019: nil).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

5. OTHER OPERATIONAL EXPENSES

	31 DECEMBER 2019 $'000	31 DECEMBER 2018 $'000
Servicing and processing costs	2,896	2,103
Marketing costs	2,677	2,285
Travel costs[1]	2,486	1,728
Subscription fees	2,177	984
Audit, consulting and legal fees	1,835	1,230
Operating lease expenses	-	1,067
Office and other rental costs[1]	1,110	656
Insurance costs	435	285
All other operating expenses[2]	1,865	1,050
TOTAL OTHER OPERATIONAL EXPENSES	15,481	11,388

[1] Office costs of $656 thousand and travel costs of $1,728 thousand were previously included within travel and office costs for the half year ended 31 December 2018. For the half year ended 31 December 2019, these operational cost categories have been disclosed separately and comparative figures have been adjusted accordingly.

[2] Other finance costs of $2 thousand were previously included within all other operating expenses for the half year ended 31 December 2018. For the half year ended 31 December 2019, these costs have been disclosed separately within net finance costs/(income) and comparative figures have been adjusted accordingly. Note 6 provides a detail of elements included in net finance costs/(income).

6. NET FINANCE COSTS/(INCOME)

	31 DECEMBER 2019 $'000	31 DECEMBER 2018 $'000
Interest expense on unwinding of lease liabilities	289	-
Net foreign exchange differences loss/(gain)	489	(181)
Other finance costs	28	2
NET FINANCE COSTS/(INCOME)	806	(179)

7. INCOME TAX EXPENSE

The Group recorded a net tax benefit of $604 thousand for the half year ended 31 December 2019 (31 December 2018: tax expense of $2,286 thousand) as a result of the reversal of a $745 thousand overprovision for taxes payable in Australia as at 30 June 2019 (31 December 2018: $3 thousand). The Group also has an unrecognised deferred tax asset of $22,586 thousand in respect of US tax losses as at 31 December 2019 (30 June 2019: $18,288 thousand).

8. CASH AND CASH EQUIVALENTS

	31 DECEMBER 2019 $'000	30 JUNE 2019 $'000
Cash at bank and on hand	8,116	4,649
Short term deposits at call	41,505	71,265
TOTAL CASH AND CASH EQUIVALENTS	49,621	75,914

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

9. PROPERTY, PLANT AND EQUIPMENT

	OFFICE EQUIPMENT & FURNITURE $'000	CAMERA SYSTEMS $'000	RIGHT-OF-USE ASSETS $'000	TOTAL $'000
HALF YEAR ENDED 31 DECEMBER 2019				
At 30 June 2019	2,164	14,618	-	16,782
Adjustment on initial application of AASB 16	(505)	-	6,530	6,025
At 1 July 2019	1,659	14,618	6,530	22,807
Additions	2,959	3,224	11,365	17,548
Disposals	-	(138)	-	(138)
Depreciation	(555)	(1,524)	(1,845)	(3,924)
Foreign exchange adjustment	-	-	7	7
CLOSING NET BOOK VALUE	4,063	16,180	16,057	36,300
AT 31 DECEMBER 2019				
Cost	6,013	29,358	17,895	53,266
Accumulated depreciation	(1,950)	(13,178)	(1,838)	(16,966)
CLOSING NET BOOK VALUE	4,063	16,180	16,057	36,300
YEAR ENDED 30 JUNE 2019				
Opening net book value	1,143	10,840	-	11,983
Additions	1,742	6,496	-	8,238
Disposals	-	(6)	-	(6)
Depreciation	(720)	(2,712)	-	(3,432)
Foreign exchange adjustment	(1)	-	-	(1)
CLOSING NET BOOK VALUE	2,164	14,618	-	16,782
AT 30 JUNE 2019				
Cost	4,718	26,397	-	31,115
Accumulated depreciation	(2,554)	(11,779)	-	(14,333)
CLOSING NET BOOK VALUE	2,164	14,618	-	16,782

At 31 December 2019, property, plant and equipment includes right-of-use assets of $16,057 thousand related to leased properties and office equipment. See Note 1 (D) for further information regarding the transition to AASB 16 on 1 July 2019.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

10. INTANGIBLE ASSETS

	GOODWILL	DEVELOP -MENT COSTS	CAPTURE COSTS	INTELLECTUAL PROPERTY	OTHER	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
HALF YEAR ENDED 31 DECEMBER 2019						
Opening net book value	135	11,642	30,030	-	325	42,132
Additions	-	7,600	12,028	4,899	6	24,533
Disposals	-	-	-	-	(25)	(25)
Amortisation	-	(3,427)	(14,613)	(83)	(79)	(18,202)
Foreign exchange adjustment	-	-	-	2	3	5
CLOSING NET BOOK VALUE	135	15,815	27,445	4,818	230	48,443
AT 31 DECEMBER 2019						
Cost	135	39,187	72,788	4,899	1,939	118,948
Accumulated amortisation	-	(23,372)	(45,343)	(81)	(1,709)	(70,505)
CLOSING NET BOOK VALUE	135	15,815	27,445	4,818	230	48,443
YEAR ENDED 30 JUNE 2019						
Opening net book value	135	8,029	27,904	-	231	36,299
Additions	-	8,621	20,133	-	305	29,059
Amortisation	-	(5,010)	(10,026)	-	(211)	(15,247)
Accelerated amortisation[1]	-	-	(7,980)	-	-	(7,890)
FX adjustment	-	2	(1)	-	-	1
CLOSING NET BOOK VALUE	135	11,642	30,030	-	325	42,132
AT 30 JUNE 2019						
Cost	135	31,587	60,759	-	1,955	94,436
Accumulated amortisation	-	(19,945)	(30,729)	-	(1,630)	(52,304)
CLOSING NET BOOK VALUE	135	11,642	30,030	-	325	42,132

[1] During the year ended 30 June 2019, the Group reviewed the appropriateness of the amortisation period and methodology for capture costs and determined that the period be reduced from 5 years to 2 years, reflecting growing demand for more recent imagery. Amortisation of the intangible capture asset was accelerated from 1 January 2019 with an additional $7,980 thousand booked through the consolidated statement of profit or loss in the year ended 30 June 2019.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

11. CONTRIBUTED EQUITY

MOVEMENT IN SHARES ON ISSUE

	NUMBER OF SHARES	$'000
HALF YEAR ENDED 31 DECEMBER 2019		
Balance at the beginning of the period	448,280,616	124,617
Issued from exercise of share options	2,477,000	1,264
Issued from exercise of share option loans	1,700,001	-
Repayment of share option loans[2]	-	37
Treasury shares acquired[3]	-	(212)
Treasury shares vested and transferred to employees	-	164
BALANCE AT THE END OF THE HALF YEAR	452,457,617	125,870
YEAR ENDED 30 JUNE 2019		
Balance at the beginning of the year	394,019,855	52,995
Issue of shares during the year, net of tax[1]	43,750,000	68,228
Issued from exercise of share options	5,894,894	3,210
Issued from exercise of share option loans	4,615,867	-
Repayment of share option loans[2]	-	381
Treasury shares acquired[3]	-	(197)
BALANCE AT THE END OF THE YEAR	448,280,616	124,617

[1] On 7 September 2018, the Company completed a $70,000 thousand capital raise (before costs), through a fully underwritten institutional placement of 43,750,000 new fully paid ordinary shares at the offer price of $1.60. The Company incurred a total of $2,854 thousand in transaction costs, which included $856 representing the deferred tax impact.

[2] During the half year, total loans of $37 thousand (30 June 2019: $381 thousand) and accruing interest of nil (30 June 2019: $9 thousand) were repaid to the Company, thereby releasing 66,666 shares (30 June 2019: 613,333) previously under holding lock.

[3] The Company introduced an employee matching share rights plan during the year ended 30 June 2019. The balance of $212 thousand as at 31 December 2019 (30 June 2019: $197 thousand) relates to shares purchased under the plan which have been issued to participants and will convert to ordinary shares at the end of the vesting period. These shares are considered and disclosed as treasury shares.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

12. FINANCIAL INSTRUMENTS

Financial instruments carried at fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of these instruments are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The forward exchange contracts ("derivatives") included in other current liabilities (30 June 2019: other current assets) are carried at fair value. Derivatives are not quoted in active markets as they are not traded on a recognised exchange. Therefore, the Group uses valuation techniques (present value techniques) which use both observable and unobservable market inputs. As these financial instruments use valuation techniques with unobservable inputs that are not significant to the overall valuation, these instruments are included in Level 2 of the fair value hierarchy.

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period in which the transfer has occurred. There were no transfers between levels of the fair value hierarchy during the half year ended 31 December 2019, and no transfer during the half year ended 31 December 2018.

The fair value measurement principles adopted in this report are consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2019.

Carrying amounts versus fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. For the current period, the fair value disclosure of lease liabilities is not required.

	31 DECEMBER 2019		30 JUNE 2019	
	CARRYING AMOUNT $'000	FAIR VALUE $'000	CARRYING AMOUNT $'000	FAIR VALUE $'000
FINANCIAL ASSETS				
Cash and cash equivalents	**49,621**	**49,621**	75,914	75,914
Trade receivables	**23,868**	**23,868**	14,535	14,535
Other current receivables	**3,195**	**3,195**	3,078	3,078
Other current assets	**-**	**-**	103	103
FINANCIAL LIABILITIES				
Trade and other payables	**4,758**	**4,758**	3,777	3,777
Other current liabilities	**7,241**	**7,241**	4,583	4,583

The carrying value less impairment provision of trade receivables, other current receivables, trade and other payables, and other current liabilities are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

13. RELATED PARTIES

Financial assistance under the Employee Share Option Plan

Nearmap's ESOP includes an Employee Loan Scheme that permits Nearmap to grant financial assistance to employees by way of loan to enable them to exercise options and acquire shares. These loans bear interest at rates that ranged from 0.95% to 1.20% during the half year ended 31 December 2019 (30 June 2019: 1.50% to 1.70%) and are repayable four years after the issue date. The loans are not recognised in the consolidated interim statement of financial position.

	31 DECEMBER 2019 $'000	30 JUNE 2019 $'000
Loans outstanding at the beginning of the period	6,557	3,014
Share option loans repaid during the period	(37)	(381)
Share option loans provided during the period	1,594	3,862
Interest accrued on share option loans	28	62
LOANS OUTSTANDING AT THE END OF THE PERIOD	8,142	6,557

Transactions with key management personnel

Unsecured loans were provided to the following recipients during the half year ended 31 December 2019 (31 December 2018: $2,138,673):

- Rob Newman: $706,667 (31 December 2018: $1,973,333);
- Andrew Watt: $775,001 (31 December 2018: nil); and
- Shane Preston: nil (31 December 2018: $165,340)

14. CONTINGENT LIABILITIES

As at 31 December 2019, except for bank guarantees of $2,356 thousand (30 June 2019: $2,356 thousand), the Directors are not aware of any contingent liabilities in relation to the Company or the Group.

15. SUBSEQUENT EVENTS

As at the date of this report, no matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 4 to 24 are in accordance with the Corporations Act 2001, including:

 (i) complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 (ii) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that Nearmap Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dr Rob Newman
Chief Executive Office and Managing Director
Sydney, 18 February 2020

Independent Auditor's Review Report

To the shareholders of Nearmap Ltd

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Nearmap Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Nearmap Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2019 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated interim statement of financial position as at 31 December 2019
- Consolidated interim statement of profit or loss and other comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Nearmap Ltd (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

The ***Half-year*** is the 6 months ended on 31December 2019.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Nearmap Ltd, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Caoimhe Toouli

KPMG

Caoimhe Toouli
Partner

Sydney
18 February 2020